

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

SPECIAL ANNOUNCEMENT

Announcement 2001-64, page 1344.

This document provides the schedule for the 2001 IRS Nationwide Tax Forums and the 2001 IRS/SSA Information Reporting Program Seminars.

INCOME TAX

Rev. Rul. 2001-28, page 1338.

LIFO; price indexes; department stores. The April 2001 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, April 30, 2001.

EMPLOYEE PLANS

Notice 2001-37, page 1340.

Definition of compensation; qualified transportation fringe benefits. This notice provides guidance to sponsors of qualified plans and tax-sheltered annuity plans concerning changes made to the definition of compensation by the Community Renewal Tax Relief Act of 2000. These changes generally expand the definition of compensation to reflect elective salary reductions for qualified transportation fringe benefits.

Announcement 2001-63, page 1344.

The Service has revised the Defined Benefit Listing of Required Modifications and Information Package to allow additional options for master and prototype and volume submitter plans with respect to sections 415 and 417 of the Code.

EXEMPT ORGANIZATIONS

Announcement 2001-66, page 1345.

A list is provided of organizations now classified as private foundations.

Finding Lists begin on page ii.



The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities

and by applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are consolidated semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and proce-

dures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part 1100.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The first Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the first Bulletin of the succeeding semiannual period, respectively.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

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Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 472.—Last-in, First-out Inventories

26 CFR 1.472-1: Last-in, first-out inventories.

LIFO; price indexes; department stores. The April 2001 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, April 30, 2001.

Rev. Rul. 2001-28

The following Department Store Inventory Price Indexes for April 2001 were issued by the Bureau of Labor Statistics. The indexes are accepted by the Internal Revenue Service, under § 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory methods for tax years

ended on, or with reference to, April 30, 2001.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups - soft goods, durable goods, and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

BUREAU OF LABOR STATISTICS, DEPARTMENT STORE INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS (January 1941 = 100, unless otherwise noted)

Groups	Apr. 2000	Apr. 2001	Percent Change from Apr. 2000 to Apr. 2001 ¹
1. Piece Goods	516.8	497.9	-3.7
2. Domestics and Draperies	631.1	606.5	-3.9
3. Women's and Children's Shoes	646.0	657.4	1.8
4. Men's Shoes	919.2	895.3	-2.6
5. Infants' Wear	642.5	626.8	-2.4
6. Women's Underwear	576.2	565.5	-1.9
7. Women's Hosiery	334.2	344.8	3.2
8. Women's and Girls' Accessories	553.3	557.3	0.7
9. Women's Outerwear and Girls' Wear	413.3	414.5	0.3
10. Men's Clothing	615.3	591.8	-3.8
11. Men's Furnishings	631.7	618.7	-2.1
12. Boys' Clothing and Furnishings	497.5	485.0	-2.5
13. Jewelry	971.9	938.6	-3.4
14. Notions	757.6	793.4	4.7
15. Toilet Articles and Drugs	971.5	991.0	2.0
16. Furniture and Bedding	680.8	650.3	-4.5
17. Floor Coverings	607.4	626.8	3.2
18. Housewares	782.1	773.8	-1.1
19. Major Appliances	234.8	224.8	-4.3
20. Radio and Television	60.0	55.2	-8.0
21. Recreation and Education ²	94.9	90.3	-4.8
22. Home Improvements ²	128.0	127.0	-0.8
23. Auto Accessories ²	106.5	109.0	2.3
Groups 1 - 15: Soft Goods	610.5	603.2	-1.2
Groups 16 - 20: Durable Goods	440.3	426.5	-3.1
Groups 21 - 23: Misc. Goods ²	101.5	98.9	-2.6
Store Total ³	547.0	537.5	-1.7

¹ Absence of a minus sign before the percentage change in this column signifies a price increase.

² Indexes on a January 1986=100 base.

³ The store total index covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

The principal author of this revenue ruling is Alan J. Tomsic of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Tomsic at (202) 622-4970 (not a toll-free call).

Part III. Administrative, Procedural, and Miscellaneous

Inclusion of Elective Reductions for Qualified Transportation Fringes in Compensation Under Qualified Plans and 403(b) Plans

Notice 2001-37

I. PURPOSE

The purpose of this notice is to provide guidance relating to the amendments made by § 314(e) of the Community Renewal Tax Relief Act of 2000 (“CRA”) to §§ 403(b)(3), 414(s)(2), and 415(c)(3) of the Internal Revenue Code. These Code sections provide definitions of compensation that apply to plans described in §§ 401(a) and 403(a) (“qualified plans”) and § 403(b) (“403(b) plans”). The CRA amendments change these compensation definitions to reflect the amount of the compensation reduction elected for qualified transportation fringes that is not includible in the employee’s gross income by reason of § 132(f)(4) of the Code (“§ 132(f) elective reductions”). The CRA amendments to §§ 403(b)(3), 414(s), and 415(c)(3) are retroactively effective for years beginning after December 31, 1997.

Specifically, this notice provides that –

- Qualified plans must be operated in accordance with the CRA amendments for plan and limitation years beginning on or after January 1, 2001. Plan amendments that are needed as a result of the CRA amendments must be adopted within the GUST remedial amendment period. The plan amendments must be effective no later than the first day of the first plan and limitation years beginning on or after January 1, 2001.
- Sponsors of qualified plans may satisfy the preceding requirements by adopting the model amendments included in the appendix to this notice.
- Qualified plans will not be disqualified solely on account of a failure to reflect in form or operation the CRA amendments to §§ 414(s) and 415(c)(3) for plan and limitation years beginning before January 1, 2001. Retroactive

plan amendments that take the CRA amendments into account for those years are required only for plans that operated in those years in accordance with §§ 414(s) and 415(c)(3) as amended.

- Exclusion allowances for employees who participate in 403(b) plans need not be recalculated under § 403(b)(2) on account of the CRA amendments for years before January 1, 2001.

II. BACKGROUND

Section 132(a)(5) of the Code provides that a qualified transportation fringe is excluded from an employee’s gross income. Section 132(f)(1) defines a qualified transportation fringe to include employer-provided transportation in a commuter highway vehicle between the employee’s home and office, transit passes, and qualified parking. Section 132(f)(4) provides that no amount is included in an employee’s gross income solely because the employer offers the employee a choice between any qualified transportation fringe and compensation that would otherwise be included in gross income.

The definition of compensation under § 415(c)(3) is used to determine whether annual additions to a participant’s account exceed the percentage limitation described in § 415(c)(1)(B). The definition is also used for other purposes under the Code relating to qualified plans, including the percentage limitation described in § 415(b)(1)(B), the determination of who is a highly compensated employee under § 414(q), and the determination of who is a key employee and the amount of required minimum contributions or benefits for top-heavy plans under § 416. Further, this definition is frequently used by qualified plans to determine employees’ benefits. Section 415(c)(3)(D) was added by the Small Business Job Protection Act of 1996 (“SBJPA”), effective for years beginning after December 31, 1997. Prior to amendment by CRA, § 415(c)(3)(D) provided that a participant’s compensation includes elective deferrals as defined in § 402(g)(3) and amounts contributed or deferred by the employer at the election of the employee that are not includible in

gross income by reason of § 125 or 457. CRA amended § 415(c)(3)(D)(ii), effective for years beginning after December 31, 1997, to provide that a participant’s compensation for any year after 1997 also includes § 132(f) elective reductions. It should be noted that, for some of the purposes for which the definition of § 415(c)(3) is used, e.g., the definition of highly compensated employee (which is required to be based on prior year compensation data), the change to the § 415(c)(3) compensation would not affect the plan until the year after the first year for which it is effective.

Section 414(s) provides a definition of compensation that applies for any Code provision that specifically refers to § 414(s). The definition of compensation under § 414(s) is used for nondiscrimination testing under qualified plans and 403(b) plans, including the actual deferral percentage (“ADP”) test under § 401(k)(3) and the actual contribution percentage (“ACP”) test under § 401(m)(2). Section 414(s)(1) provides that compensation has the meaning given in § 415(c)(3). Prior to amendment by CRA, § 414(s)(2) provided that an employer may elect not to include as compensation amounts contributed by the employer pursuant to a salary reduction agreement that are not includible in the employee’s gross income under § 125, 402(e)(3), 402(h), or 403(b). CRA amended § 414(s)(2), effective for years beginning after December 31, 1997, to add § 132(f) elective reductions to this list. Section 414(s)(3) requires the Secretary of the Treasury to provide for alternative definitions of compensation that satisfy § 414(s) and that do not discriminate in favor of highly compensated employees.

Section 1.414(s)-1(c)(1) prescribes general rules regarding the definition of compensation under § 414(s). Section 1.414(s)-1(c)(2) provides that a definition of compensation that includes all compensation under § 415(c)(3), as described in § 1.415-2(d), and excludes all other compensation, is a safe harbor definition of compensation for purposes of § 414(s). Prior to the amendment of § 415(c)(3) by SBJPA, total compensation under § 415(c)(3) did not include elective

amounts. Section 1.414(s)-1(c)(4) provides that a definition of compensation that includes all compensation under § 415(c)(3) and also includes elective amounts that are not includible in gross income under §§ 125, 402(e)(3), 401(h), and 403(b), compensation deferred under an eligible deferred compensation plan described in § 457(b), and employee contributions described in § 414(h)(2) that are picked up by the employer, is a safe harbor definition of compensation for purposes of § 414(s). Section 1.414(s)-1(c)(1) and (4) does not reflect the amendments to § 415(c)(3) by SBJPA and CRA. A definition of compensation that does not satisfy one of the safe harbors can nonetheless satisfy § 414(s) if it satisfies the nondiscrimination requirement of § 1.414(s)-1(d).

Section 403(b)(3) provides a definition of “includible compensation” that is used for purposes of determining an employee’s exclusion allowance under § 403(b)(2). The Taxpayer Relief Act of 1997 (“TRA ’97”) amended the definition of includible compensation under § 403(b)(3) to include elective deferrals as defined in § 402(g)(3) and amounts contributed or deferred by the employer at the election of the employee that are not currently includible in gross income by reason of § 125 or 457, effective for years beginning after December 31, 1997. CRA amended § 403(b)(3)(B), effective for years beginning after December 31, 1997, to provide that includible compensation for any year after 1997 also includes § 132(f) elective reductions. For employees who make the election under § 415(c)(4)(D) to have the provisions of § 415(c)(4)(C) apply, the exclusion allowance under § 403(b)(2) is determined with reference to the limitations under § 415. In this case, the definition of compensation under § 415(c)(3) applies.

Section 1.401(b)-1(b)(3) authorizes the Commissioner to designate a plan provision as a disqualifying provision if the provision either (1) results in the failure of the plan to satisfy the qualification requirements of the Code by reason of a change in those requirements or (2) is integral to a qualification requirement that has been changed. The remedial amendment period for a disqualifying provision that is integral to a qualification requirement that has been changed begins on the

first day on which the plan was operated in accordance with such provision, as amended (unless another time is specified by the Commissioner). Section 1.401(b)-1(c)(3) authorizes the Commissioner, in the case of disqualifying provisions designated as described in the preceding sentence, to impose limits and provide additional rules regarding the amendments that may be made with respect to that disqualifying provision.

Revenue Procedure 2000-27, 2000-26 I.R.B. 1272, provides that the GUST remedial amendment period for nongovernmental plans ends on the last day of the first plan year beginning on or after January 1, 2001. The remedial amendment period for governmental plans, as defined in § 414(d), ends on the later of (i) the last day of the first plan year beginning on or after January 1, 2001, or (ii) the last day of the first plan year beginning on or after the “2000 legislative date” (that is, the 90th day after the opening of the first legislative session beginning after December 31, 1999, of the governing body with authority to amend the plan, if that body does not meet continuously). An extended GUST remedial amendment period may be available under the provisions of Rev. Proc. 2000-20, 2000-6 I.R.B. 553. The GUST remedial amendment period is available for certain plan amendments, including amendments to comply with the Uruguay Round Agreements Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, and the Internal Revenue Service Restructuring and Reform Act of 1998.

III. APPLICATION OF THE CRA AMENDMENTS TO §§ 414(s) AND 415(c)(3) TO QUALIFIED PLANS

The CRA amendments not only change the definitions of compensation under §§ 414(s) and 415(c) but also, as described above, affect other qualification requirements that depend in part on those Code sections. Pursuant to § 1.401(b)-1(b)(3), plan provisions that must be amended as a result of the CRA amendments and plan provisions that are integrally related to qualification requirements changed by the CRA amendments are hereby designated disqualifying provisions, as further described below. Pur-

suant to the authority under § 1.401(b)-1(c)(3), the remedial amendment period with respect to such disqualifying provisions ends on the last day of a plan’s GUST remedial amendment period.

A. Prospective application

For plan and limitation years beginning on or after January 1, 2001, a plan provision is a disqualifying provision if it causes the plan to fail to satisfy the qualification requirements as a result of the CRA amendments for such years. Accordingly, a plan must be amended within the plan’s GUST remedial amendment period to the extent necessary to comply in form with the CRA amendments for plan and limitation years beginning on or after January 1, 2001. The plan must also be operated in accordance with the CRA amendments for those years.

B. Retroactive application

Pursuant to § 7805(b), the Service will not treat a qualified plan as having failed to satisfy the requirements of § 401(a) merely because the plan did not take the CRA amendments into account for plan or limitation years beginning before January 1, 2001.

For plan and limitation years beginning on or after January 1, 1998, a plan provision is a disqualifying provision if the plan provision is integral to a qualification requirement changed by the CRA amendments. Thus, plans that took the CRA amendments into account in operation for plan or limitation years beginning before January 1, 2001, must be retroactively amended within the GUST remedial amendment period to the extent necessary to comply in form with the CRA amendments. The plan amendments must be effective retroactively to the first day of the plan and limitation years for which the plan was first operated in accordance with the CRA amendments. Under this notice, retroactive plan amendments that take into account the CRA amendments for plan and limitation years beginning before January 1, 2001, are required only for those plans that took the CRA amendments into account in operation for those years. A plan that has not been operated in accordance with the CRA amendments for plan or limitation years beginning before January 1, 2001, may not be amended retroactively for CRA, but must be amended for

years beginning on or after January 1, 2001, as described in § IIIA above.

C. Examples

The following examples illustrate the application of the CRA amendment to § 415(c)(3) to qualified plans. The examples assume, in each case, that the employers provide for § 132(f) elective reductions.

Example 1. Employer A sponsors a calendar year defined benefit plan that specifically includes amounts deferred under §§ 125, 402(g)(3), and 457, but not § 132(f) elective reductions, in the definition of compensation for purposes of applying the § 415(b) limitations, the definition of key employee under § 416, and calculating the § 416 top-heavy minimums. Because the plan's definition of compensation is used for purposes of the plan's provisions relating to §§ 415 and 416, the plan must be operated and amended, effective January 1, 2001, by the end of its GUST remedial amendment period, to reflect § 415(c)(3) as amended by CRA.

Example 2. Employer B sponsors a money purchase pension plan that includes a definition of compensation for making contributions that specifically includes amounts deferred under §§ 125, 402(g)(3), and 457, but not § 132(f) elective reductions, in the definition of compensation for purposes of applying the § 415(c) limitations, the definition of key employee under § 416, and calculating the § 416 top-heavy minimums. The plan year and limitation year both begin on October 1. However, for plan and limitation years beginning on October 1, 1999, the plan administrator operated the plan to include § 132(f) elective reductions. Employer B must amend the plan's definition of compensation to include § 132(f) elective reductions. The amendment must be made effective retroactively for plan and limitation years beginning on October 1, 1999, and must be adopted by the end of the plan's GUST remedial amendment period.

IV. 403(b) PLANS

CRA amended § 403(b)(3) to provide that, for purposes of determining the exclusion allowance under § 403(b)(2), § 132(f) elective reductions are to be included in an employee's compensation for years beginning after December 31, 1997. For the 2001 and later taxable years, employees' exclusion allowances are calculated taking into account the CRA amendment of § 403(b)(3). For purposes of determining the exclusion allowance for employees for 1998 and years thereafter to the extent the determination uses compensation with respect to 1998, 1999, and 2000, compensation may be calculated in

accordance with § 403(b) as it read after amendment by TRA '97 but before amendment by CRA, i.e., by not including § 132(f) elective reductions in the definition of compensation.

A 403(b) plan that is required to satisfy the nondiscrimination requirements of § 403(b)(12) must be operated in accordance with the CRA amendments to §§ 403(b), 414(s), and 415(c) in years beginning on or after January 1, 2001.

V. PROCEDURES RELATING TO ADOPTION OF MODEL AMENDMENTS

The model amendments that appear in the Appendix to this revenue procedure may be adopted by sponsors of individually designed plans (including adopters of volume submitter plans) and by practitioners that sponsor volume submitter specimen plans. The model amendments may also be used by sponsors and adopters of master and prototype (M&P) plans.

The model amendments in the appendix to this revenue procedure, if adopted on a word-for-word identical basis within a plan's GUST remedial amendment period, will be deemed to satisfy the requirements of §§ 415(c)(3) and 414(s)(2) as amended by CRA, respectively. Practitioners that sponsor volume submitter specimen plans may include the model amendments in a specimen plan without adversely affecting the plan's advisory letter. An employer that has adopted a volume submitter specimen plan prior to this amendment of the specimen plan may individually adopt the model amendments without adversely affecting the plan's determination letter. Sponsors of M&P plans that have not yet been approved for GUST may incorporate the model provisions in adoption agreements. Sponsors of M&P plans that have been approved for GUST may provide the model amendments to adopting employers as supplements to the approved adoption agreement. The Service will not issue new opinion, advisory, or determination letters for plans that are amended solely to add the model amendments.

M&P and volume submitter plan sponsors that use the model language must file Form 8837, *Notice of Adoption of Rev-*

enue Procedure Model Amendments. At line 2 of Form 8837, enter "Notice 2001-37" instead of "Revenue Procedure."

DRAFTING INFORMATION

The principal drafter of this revenue procedure is Diane S. Bloom of the Employee Plans Division. For further information regarding this revenue procedure, please contact the Employee Plans Division's taxpayer assistance telephone service at (202) 283-9516 or (202) 283-9517, between the hours of 1:30 p.m. and 3:30 p.m. Eastern Time, Monday through Thursday. Ms. Bloom may be reached at (202) 283-9888. These telephone numbers are not toll-free.

APPENDIX — MODEL AMENDMENTS

The following are model amendments that sponsors of qualified plans may adopt to comply with §§ 415(c) and 414(s), as amended by CRA. Plan sponsors should first review their plan documents and operation to determine whether the plan already complies with §§ 415(c) and 414(s), as amended.

A. Model language for § 415(c)(3) compensation definition

For limitation years beginning on and after [enter the earlier of January 1, 2001, or the first day of the first limitation year for which the plan was operated in accordance with the CRA amendment of § 415(c)(3), but in no case earlier than the first day of the first limitation year beginning on or after January 1, 1998], for purposes of applying the limitations described in section ____ of the plan, compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the employee by reason of § 132(f)(4).

(Note: The following language may be adopted for plans that also use § 415(c)(3) compensation for other purposes under the plan.)

This amendment shall also apply to the definition of compensation for purposes of section(s) ____ of the plan for plan years beginning on and after

[enter the earlier of January 1, 2001, or the first day of the first plan year for which these sections of the plan were operated in accordance with the CRA amendment of § 415(c)(3), but in no case earlier than the first day of the first plan year beginning on or after January 1, 1998].

B. Model language for § 414(s) compensation definition that excludes amounts of compensation reduction elected for qualified transportation fringes

(Note: The following language should be adopted only for a plan that either 1)

has been operated since the first day of the first plan year beginning on or after January 1, 1998 (or any subsequent plan year beginning before January 1, 2001), or 2) has been operated since the first day of the first plan year beginning on or after January 1, 2001, by excluding from its definition of compensation under § 414(s) any amount that is contributed by the employer pursuant to a salary reduction agreement and that is not includible in the employee's gross income under § 125, 132(f), 402(e)(3), 402(h), or 403(b).

For plan years beginning on and after [enter the earlier of January 1, 2001, or

the first day of the first plan year for which the plan was operated in accordance with the CRA amendment of § 414(s), but in no case earlier than the first day of the first plan year beginning on or after January 1, 1998], compensation shall not include elective amounts that are not includible in the gross income of the employee under § 125, 132(f)(4), 402(e)(3), 402(h), or 403(b). This amendment shall apply for purposes of section(s) _____ of the plan.

Part IV. Items of General Interest

New Alternatives for Defined Benefit Master and Prototype and Volume Submitter Plans

Announcement 2001-63

Rev. Rul. 98-1, 1998-1 C.B. 249, provides guidance concerning changes to § 415 of the Internal Revenue Code that were made by the Uruguay Round Agreements Act, which included the Retirement Protection Act of 1994, and by the Small Business Job Protection Act of 1996. Section 415 limits the contributions and benefits under qualified pension, profit-sharing, etc., plans. Q&A-12 of Rev. Rul. 98-1 provides that a defined benefit plan may provide that changes to § 415(b)(2)(E) do not apply to benefits accrued before a certain date, which is referred to here as the "RPA '94 Freeze Date." In addition, the pre-RPA '94 Freeze Date accrued benefits are referred to as "old-law benefits." Q&A-14 of Rev. Rul. 98-1 contains three methods for applying the limitations in § 415(b) in a defined benefit plan that does not apply the changes to § 415(b)(2)(E) to old-law benefits. (How and when the RPA '94 Freeze Date and a participant's old-law benefit are determined are described in Q&A-13 of Rev. Rul. 98-1.)

Previously, the Master and Prototype program and the volume submitter program have permitted only one of the three methods (Method 2) described in Q&A-14 of Rev. Rul. 98-1. These programs also have required the RPA '94 Freeze Date to be the same date as the plan's § 417(e) effective date (i.e., the plan's date as of which the RPA '94 changes to § 417(e)(3) apply). However, commentators have requested the use of all three methods in these programs. They have also requested the use of different dates for the plan's RPA '94 Freeze

Date and the plan's § 417(e) effective date.

The Service is now allowing the use of all three methods and the use of different dates for the plan's RPA '94 Freeze Date and the plan's § 417(e) effective date. The Service has revised Item #40 (Section 415 Limitation on Benefits) of the February 2000, version of the Defined Benefit Listing of Required Modifications and Information Package (the "DB LRM") to include all three methods described in Q&A-14 of Rev. Rul. 98-1 and the use of different dates for the plan's RPA '94 Freeze Date and the plan's § 417(e) effective date. The Service is accepting these revisions in requests for opinion letters for master and prototype plans and advisory letters for volume submitter specimen plans.

The revisions to DB LRM Item #40 are posted to the Employee Plans Internet address at www.irs.gov/ep. In addition, a paper copy of those revisions to the DB LRM may be obtained by writing to the Internal Revenue Service at EP Rulings and Agreements, Att'n: T:EP:RA:ICU, 1111 Constitution Ave., N.W., Washington, D.C. 20024 or by sending a fax to EP Rulings and Agreements, Taxpayer Request, Att'n: Ms. Nancy Arrington, 202-283-9554.

IRS/SSA Information Reporting Program (IRP) Seminars

Announcement 2001-64

IRS and SSA Announce Year-End Training for Employers/Payers

To help employers and payers who file Information returns with year-end wage/tax reporting, the Internal Revenue Service/Martinsburg Computing Center (MCC) and the Social Security Administration (SSA) have arranged the following

training sessions on filing Forms 1042-S, 1098, 1099, 5498, W-2G, W-2, and related issues.

IRS Nationwide Tax Forums

Six three-day Nationwide Tax Forums offer employers/payers detailed sessions on a wide variety of year-end wage and tax filing topics such as:

- Electronic filing
- Backup withholding and IRP penalties
- Form 1042-S filing
- Form W-2 filing

There is a nominal fee to attend a forum. For more information, contact the IRS/MCC IRP Call Site at 304-263-8700 between 8:30 a.m. and 4:30 p.m., EST, Monday through Friday or E-Mail: mccirp@irs.gov. The dates and locations are as follows:

Location	Date
Philadelphia, PA	July 10-12
Ft. Lauderdale, FL	July 24-26
Dallas, TX	August 14-16
Atlanta, GA	August 21-23
Cleveland, OH	September 4-6
Las Vegas, NV	September 18-20

IRS/SSA Information Reporting Program Seminars

Six IRP seminars for employers/payers will be offered in one-day sessions, free of charge. The morning session is similar in content to the Nationwide Tax Forums, but is condensed into a one-half day format. The afternoon session will be directed toward software vendors that would like more information about electronic filing with IRS and SSA.

Following is a schedule of seminar sites and dates, as well as telephone numbers of the IRS office closest to the sites. Please call the appropriate office for the exact location and time or E-Mail: mccirp@irs.gov.

Location	Date	Phone	FAX
Frederick, MD	July 17	304-263-8700	304-264-5602
New York City	August 21	212-436-1039	212-436-1046
Denver, CO	September 5	303-446-1412	303-446-1387
Raleigh/Durham	September 6	304-263-8700	304-264-5602
Oakland, CA	September 11	510-637-2193	510-637-2413
Seattle, WA	September 13	206-220-5300	206-220-4391

Foundations Status of Certain Organizations

Announcement 2001-66

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in section 501(c)(3), eligible to receive deductible contributions.

Former Public Charities. The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

- Abundant Changes Community Outreach, Detroit, MI
Adventists Affirm, Inc., Berrien Springs, MI
After Hours Resource Services, Inc., Detroit, MI
All Because of Christ, Inc., Flora, IL
Always in Season, Inc., Myakka City, FL
Amazing Grace Community Development Ctr., Detroit, MI
American Crusaders for the Education of Youth, Lansing, MI
American Mission Training Foundation, Inc., Waterford, MI
Animal Crafters, W. Bloomfield, MI
Animal Rescue & Relief Foundation of Southwest Illinois, Inc., Belleville, IL
Athens Rodeo, Athens, IL
Austin Foundation, East Lansing, MI
Avant-Garde Ministries, Marenisco, MI
Baker Youth Foundation, Inc., Flint, MI
Beath Foundation, Richmond, VA
Bedford Flyers Softball League, Temperance, MI
Belleville Fussball Club, Inc., Belleville, IL
Benton Harbor Athletic Association, Inc., Benton Harbor, MI
Beverly A. Mann Performing Arts Studio & Craft Designs, Inc., Detroit, MI
Branch County Equine Enthusiasts, Coldwater, MI
Brigham Young Family Association, Salt Lake City, UT
Business United with Officers and Youth, 5 - Bouy 5, Detroit, MI
C & J Needham Career and Development Training Institute, Detroit, MI
Cahokia Association for the Tricentennial, Cahokia, IL
Campaign Reform Project, Mount Kisco, NY
Capital City Preservation Trust, Sacramento, CA
Caribbean American Cultural Center, Oak Park, MI
Castle Acres Adult Foster Care, Inc., Iron River, MI
Central Mine M. E. Church Corp., Laurium, MI
Chelsea Film Society, Chelsea, MI
Chip Alumni Association of Southwestern Michigan, Kalamazoo, MI
Chippewa Valley Action Coalition, Clinton Twp., MI
Christian Homecare Services, Inc., Lebanon, IL
Church Helping Urban Restoration of Community & Home, Inc., Detroit, MI
Cincinnati Theological Society, Cincinnati, OH
City Cab Company Youth and Scholarship Fund Corporation, Detroit, MI
Community Concerns Alliance, Inc., Detroit, MI
Compassionate Heart Film Production Company, Inc., Fullerton, CA
Consort of Voices, Inc., Holland, MI
Crawford County Crisis Pregnancy Center, Inc., Robinson, IL
Creative Wellness Institute Corporation, Scottsdale, AZ
Crittenton-DMC Health Services, Rochester, MI
Delta Life Development Foundation of Albany, Inc., Albany, GA
Detroit Betterment Division-Unit A, Detroit, MI
Detroit Youth Endowment, Inc., Detroit, MI
Domestic Violence Intervention Program, E. Lansing, MI
Double-O-Rhythm Double Dutch & Dance Troupe, Muskegon, MI
Downriver Raiders Football Association, Lincoln Park, MI
Easna Foundation, Berkley, MI
East St. Louis Community Awareness Project, Belleville, IL
Eastside Community Development Corporation, Monroe, MI
Emanuel First Housing Corp., Lansing, MI
Emerging Communities, Inc., Littleton, CO
Empowerment Health Care Systems, Inc., Detroit, MI
End the Homeless Network, Detroit, MI
Environmental Engineering Student Society, East Lansing, MI
EREB Foundation, Inc., Atlanta, GA
Essex House Neighborhood Corporation, Annapolis, MD
Everyday Art, Detroit, MI
Extended Hands Ministries, Inc., Detroit, MI
Fatherhood Foundation, Inc., Tempe, AZ
Ferndale Arts Council, Ferndale, MI
Financial Assistance in Transacting Home Ownership, Inc., Oviedo, FL
Financial Enrichment Education Foundation, Lauderhill, FL
Forrest Organization, Atow, OH
Foundation for Ecumenical Ministries in Higher Education, Rochester Hills, MI
Friends of Artistry in Motion, Inc., Ferndale, MI
Friends of the Ott Preserve, Marshall, MI
From the Heart, Ann Arbor, MI
Gaelic League-Irish-American Club of West Michigan, Grand Rapids, MI
Gallery O, Ltd., Evanston, IL
Genesee-Lapeer-Shiawassee Critical Incident Stress Management Team, Flint, MI
German-American Heritage Foundation International, Harper Woods, MI
Gillis Foundation, Biloxi, MS
Godfrey Lee Organized Recreation for Youth, Wyoming, MI
Government Intern Training Program, Clinton Twp., MI
Great Lakes Institute for Economic Initiative, Muskegon, MI
Greater New York Association of Holocaust Survivors, Inc., Woodburgh, NY
Gross Pointe Baseball Organization, Inc., Grosse Pointe Park, MI
Hand Surgery Endowment Charitable Foundation, Chicago, IL
Haven Ministries, Grand Rapids, MI
Healingworks Institute, Inc., Scottsdale, AZ
Helping Touch Foundation, Barberton, OH

Heritage Park I Neighborhood Corporation, Annapolis, MD
Heritage Park II Neighborhood Corporation, Annapolis, MD
Hispanics Against Aids, Inc., Grand Rapids, MI
Homeless Empowerment Relationship Organization of Greater Flint, Inc., Flint, MI
Hope for Prisoners Ministries, Springfield, IL
Howell Area Junior Football League, Howell, MI
Human Resources and Services of Michigan, Inc., Saginaw, MI
Huron Valley Christian Academy Foundation, Inc., Ann Arbor, MI
In His Hands Ministries, Harrisburg, IL
Institute for Cooperation of Art and Research, Inc., New York, NY
Institute of World Traditional Medicine, Santa Monica, CA
Inter-Networks Multi Service Center, Inc., Detroit, MI
Inward Bound, Inc., Rapid River, MI
Islamic Library of Dearborn, Dearborn, MI
Jackson Avenue Community Organization, Bronx, NY
Jerry Keiper Memorial Center for Teacher Development, Champaign, IL
Joseph W. Samuels M.D. & Clarence E. Thompson Scholarship Fund, Inc., Detroit, MI
Justice for Children-Michigan Chapter, Southfield, MI
Kalamazoo Community Enrichment, Kalamazoo, MI
Keep Coming Back, Lake Orion, MI
Kirk Family Gospel Singers, Elizabethtown, KY
Land Trust of the Palm Beaches, Inc., West Palm Beach, FL
Life Choice, Inc., Detroit, MI
Link, Sturgis, MI
Livingston Citizens for Better Housing, Howell, MI
L. J. H. J. Community Development Corporation, Flint, MI
Love Joy and Peace Ministries, Houston, TX
Lynn Dennis Memorial Bass Tournament, Lansing, MI
Magalit, Ft. Worth, TX
Maiden House Ministry, Highland Park, MI
Met-Rx Foundation for Health Enhancement, Irvine, CA
Michigan Aviation Education Foundation, Inc., Grand Haven, MI
Michigan Cancer Pain Initiative, St. Clair Shores, MI
Michigan Indian Law Center, Lansing, MI
Michigan Society for Cardiovascular and Pulmonary Rehabilitation, Inc., Farmington Hills, MI
Michigan State University Black Engineering Alumni Association, Southfield, MI
Missing Childrens Network of Michigan, Inc., Traverse City, MI
Mt. Superior Wilderness Institute, Inc., Marquette, MI
National Relief Network, Inc., Grand Rapids, MI
New J Senior Citizen Center, Inc., Lansing, MI
New Rise Non-Profit Housing Corporation, Detroit, MI
Noah Productions, Urbana, IL
Northstar Housing Corporation, Lansing, MI
Oakland Housing Advantage Non-Profit Housing Corporation, Grand Rapids, MI
Oakland Leadership Council, Inc., Troy, MI
Ogr Award of Excellence, Inc., Springfield, IL
One of Us, Inc., Detroit, MI
Operation Educate, Detroit, MI
Pankin Foundation Inc., Farmington Hills, MI
Parents Against Lead, Kalamazoo, MI
Partners in Service, Inc., Detroit, MI
Paul B. Henry Scholarship Committee, Grand Rapids, MI
Pediatric Oncology Resource Team, Grand Rapids, MI
People Centers U S A, Warren, MI
Ping Athletic Scholarship Fund, Saline, MI
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Place for Learning, Inc., Riverhead, NY
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Rapid River Band Boosters, Rapid River, MI
Ready About, Inc., W. Olive, MI
Reconciliation & Restoration Prison Ministries, Southfield, MI
Recovery Zone, Pontiac, MI
Roy Bill Frakes Scholarship Fund, Avon, IL
Run Around the World, Inc., Grand Rapids, MI
Ruth Resources United to Help Fellowship Corporation, Flint, MI
Safety, Inc., Gladwin, MI
Serve Across America, Dallas, TX
Shiawassee Boxing Club, Inc., Owosso, MI
Shining Light Youth Bureau, East St. Louis, IL
Side by Side Foundation, Dearborn Hts., MI
Silent Cry, Inc., Los Angeles, CA
Smiles Foundation, Carrolton, IL
Solid Ice, Big Rapids, MI
Soundbyte Incorporated, Washington, DC
Speaking of Wildlife, Mason, MI
Specialty Foundation, Auburn Hills, MI
Spectrum Ringwood Apartments, Inc., River Vale, NJ
Spiritual Israel Ministries, Detroit, MI
St. James Community Development Organization, Inc., Detroit, MI
Stop Pet Overpopulation, Inc., Port Huron, MI
Swifa Childrens Fire Safety House, Mascoutah, IL
Taguchi Academy, Inc., Allen Park, MI
T C 3 - Tower Community Concerns Committee, East Lansing, MI
Third Eye, Inc., Detroit, MI
Thorn Hospital Foundation, Hudson, MI
Tietjens Memorial Foundation, Abilene, KS
Together Strong, Inc., Venice, CA
Tri-City Wood Carvers, Saginaw, MI
Tri-Valley Education Foundation, Inc., Downs, IL
Unlimited Resources, Inc., Southfield, MI
Urban Renewal Coalition, Detroit, MI
Urban Revival Foundation, Inc., Peoria, IL
Urban Scape Development Incorporated, Grand Rapids, MI
Urban Solutions, Inc., Detroit, MI
Vandenberghe Foundation, Inc., Danville, CA
Veteran Association of Vietnam Republic, Grand Rapids, MI
Victims for Victims, Mt. Clemons, MI
Village Potters Guild, Inc., Plymouth, MI
Warrendale Community Organization, Detroit, MI
Washington 2000 Foundation, Washington, IL

Waterford Police Benevolent Fund,
Waterford, MI
West Michigan Gay Community Chorus,
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Women Involved in Giving Support,
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Womens Auxiliary of the Womens
Opportunity House, Lansing, MI
Word Alive Outreach Ministries,
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World Wide Apostolic Missions,
Mount Carmel, IL

If an organization listed above submits information that warrants the renewal of its classification as a public charity or as a private operating foundation, the Internal Revenue Service will issue a ruling or determination letter with the revised classification as to foundation status. Grantors and contributors may thereafter rely upon such ruling or determination letter as provided in section 1.509(a)-7 of the Income Tax Regulations. It is not the practice of the Service to announce such revised classification of foundation status in the Internal Revenue Bulletin.

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it ap-

plies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in law or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.

E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign Corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.

PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statements of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

Numerical Finding List¹

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